

Budget Assumptions in the MTFP

	Budget Assumptions 2024/25	Budget Assumptions Future Years
Net Revenue Expenditure		
Pay costs	Aligned with 2024/25 budget (3% pay award).	3% 2025, 2% thereafter. NB percentages here to reflect total organisational percentage increase, not percentage pay award for staff.
Pension employer rates (attached)	As per Leicestershire LGPS Pension Fund.	As per Leicestershire LGPS Pension Fund for 2025/26. The assumed 3% increase year on year as per 2026/27 to 2028/29.
Members Allowances	Aligned with 2024/25 detailed budget setting	Remain static
Other Supplies, Services & Contracts	Aligned with 2024/25 detailed budget setting	Increased by CPI forecast
Recharge from HRA	Aligned with 2024/25 detailed budget setting. Based on previous year +2%	As per 2024/25 - no uplift due to this area needing a full review.
Other grant income	Aligned with 2024/25 detailed budget setting	Increased by CPI forecast
NDR	Aligned with 2024/25 detailed budget setting	Increased by CPI forecast
Locally generated income	Aligned with 2024/25 detailed budget setting	2% in line with BoE inflation target
Leisure contract	Aligned with renegotiated position with SLM	Aligned with renegotiated position with SLM
Insurance	As per newly tendered contracts	Increased by CPI forecast
HB Payments	Aligned with 2024/25 detailed budget setting	Maintaining at 2024/25 level
Fuel	Aligned with 2024/25 detailed budget setting	Maintaining at 2024/25 level - OBR forecasting slight reduction
Capital financing / MRP	As per detailed MRP and interest forecast workings.	As per detailed MRP and interest forecast workings.
Funding		
Services Grant	As per Final Local Government Finance Settlement	As per Funding Advisor Model. Assumed to be discontinued 2026/27 as business rates reset expected to take place.
Funding Guarantee	As per Final Local Government Finance Settlement	As per Funding Advisor Model. Assumed to be discontinued 2026/27 as business rates reset expected to take place.
Revenue Support Grant	As per Final Local Government Finance Settlement	As per Funding Advisor Model
Retained Business Rates	As per NNDR 1	As per Funding Advisor Model
New Homes Bonus	As per Final Local Government Finance Settlement	2024/25 assumed to be the last year as this funding stream is expected to be reviewed. Base growth of 1.1% p.a. Maximum increases (2.99%). - As per funding Advisor Model
Council Tax	As per Council Tax Base set for 2024/25 and maximum increase (2.99%)	
Contribution from reserves (Earmarked Reserves)	Contribution of EMRs budgeted for 2024/25	Use of Grounds Maintenance Reserve
Collect Fund (Surplus)/Deficit - Brates	As calculated deficit Jan 2024	Surplus/deficit only applies to current year
Collection Fund (Surplus)/Deficit - Ctax	As calculated surplus Jan 2024	Surplus/deficit only applies to current year

Inflation Forecasts							
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
CPI forecast	7.5	3.6	1.8	1.4	1.7	2	
Gas Pounds per therm forecast	1.02	1.22	1.16	1.01	1.03	1.05	
Increase		20%	-5%	-13%	2%	2%	
Oil Dollars per barrel forecast	67.43	67.62	63.78	61.16	61	62.16	
Increase		0%	-6%	-4%	0%	2%	